

AMENDED IN ASSEMBLY JUNE 24, 2015

AMENDED IN SENATE APRIL 9, 2015

SENATE BILL

No. 697

Introduced by Senator Hertzberg

February 27, 2015

An act to amend ~~Section 5387 of~~, Sections 280.5, 309.7, 321.6, 421, 747, 765, 958.5, 960, 5387, 7661, and 7712 of, to amend and renumber Sections 322, 747.6, 748, 915, 5006, 5012, and 7711 of, to amend, renumber, and add Sections 910 and 911 of, to add Sections 913 and 914 to, and to repeal Section 5385.5 of, the Public Utilities Code, relating to public utilities.

LEGISLATIVE COUNSEL'S DIGEST

SB 697, as amended, Hertzberg. ~~Charter-party~~ *Public Utilities Commission: reports: civil penalties: charter-party carriers of passengers.*

The California Constitution establishes the Public Utilities Commission and authorizes the commission to exercise ratemaking and rulemaking authority over all public utilities, as defined, subject to control by the Legislature. Existing law requires the commission to report various information to the Legislature.

This bill would recast certain of the commission's reporting requirements to an article within the Public Utilities Act pertaining to reports by the commission to the Legislature and make other conforming changes.

The Passenger Charter-party Carriers' Act places charter-party carriers of passengers, as defined, under the jurisdiction of the Public Utilities Commission. Under existing law, no charter party carrier of passengers may operate a motor vehicle on a public highway unless there is

displayed on the vehicle a distinctive identifying symbol, in the form prescribed by the commission, showing the classification to which the carrier belongs. For motor vehicles designed to carry not more than 8 passengers, the commission is required to issue a suitable decal with an identifying symbol and of a specified size for that purpose.

This bill would repeal that provision requiring the issuance of the decal.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 280.5 of the Public Utilities Code is
2 amended to read:
3 280.5. (a) Of the revenues from fees collected pursuant to
4 Section 14666.8 of the Government Code after the operative date
5 of this section, except for revenues from fees from a lease
6 agreement for access to Department of Transportation property or
7 a lease agreement existing prior to the operative date of the section,
8 15 percent shall be available, upon appropriation by the Legislature,
9 for the purpose of addressing the state's digital divide.
10 (b) Revenues described in subdivision (a) shall be deposited in
11 the Digital Divide Account, which is hereby established in the
12 California Teleconnect Fund Administrative Committee Fund
13 established pursuant to Section 270, to be used only for digital
14 divide pilot projects. Not more than 5 percent of the revenues
15 described in subdivision (a) may be used to pay the costs incurred
16 in connection with the administration of digital divide pilot projects
17 by the commission.
18 (c) (1) The Digital Divide Grant Program is hereby established
19 subject to the availability of funding pursuant to this section. The
20 commission may not implement the grant program until the
21 commission projects that at least five hundred thousand dollars
22 (\$500,000) will be available in the Digital Divide Account during
23 the calendar year following implementation, based on money
24 collected pursuant to Section 14666.8 of the Government Code.
25 (2) The commission shall provide grants pursuant to this
26 subdivision on a competitive basis subject to criteria to be
27 established by the commission and in a way that disburses the
28 funds widely, including urban and rural areas. Grants shall be

1 awarded to community-based nonprofit organizations that are
2 exempt from taxation under Section 501(c)(3) of the Internal
3 Revenue Code for the purpose of funding community technology
4 programs.

5 (3) Recipients of grants pursuant to this subdivision shall report
6 to the commission annually on the effectiveness of the grant
7 program.

8 ~~(4) The commission shall report to the Legislature and the~~
9 ~~Governor annually on the effectiveness of the program~~
10 ~~administered pursuant to this subdivision.~~

11 (d) For purposes of this section, “community technology
12 programs” means a program that is engaged in diffusing technology
13 in local communities and training local communities in the use of
14 technology, especially local communities that otherwise would
15 have no access or limited access to the Internet and other
16 technologies.

17 (e) For purposes of this section, “digital divide projects” means
18 community technology programs involved in activities that include,
19 but are not limited to, the following:

20 (1) Providing open access to and opportunities for training in
21 technology.

22 (2) Developing content relevant to the interests and wants of
23 the local community.

24 (3) Preparing youth for opportunities in the new economy
25 through multimedia training and skills.

26 (4) Harnessing technology for e-government services.

27 *SEC. 2. Section 309.7 of the Public Utilities Code is amended*
28 *to read:*

29 309.7. (a) The division of the commission responsible for
30 consumer protection and safety shall be responsible for inspection,
31 surveillance, and investigation of the rights-of-way, facilities,
32 equipment, and operations of railroads and public mass transit
33 guideways, and for enforcing state and federal laws, regulations,
34 orders, and directives relating to transportation of persons or
35 commodities, or both, of any nature or description by rail. The
36 *division of the commission responsible for* consumer protection
37 *and safety* ~~division~~ shall advise the commission on all matters
38 relating to rail safety, and shall propose to the commission rules,
39 regulations, orders, and other measures necessary to reduce the
40 dangers caused by unsafe conditions on the railroads of the state.

1 The delegation of enforcement responsibility to the *division of the*
2 *commission responsible for* consumer protection and safety ~~division~~
3 shall not diminish the power of other agencies of state government
4 to enforce laws relating to employee or environmental safety,
5 pollution prevention, or public health and safety.

6 (b) In performing its duties, the *division of the commission*
7 *responsible for* consumer protection and safety ~~division~~ shall
8 exercise all powers of investigation granted to the commission,
9 including rights to enter upon land or facilities, inspect books and
10 records, and compel testimony. The commission shall employ
11 sufficient federally certified inspectors to ensure at the time of
12 inspection that railroad locomotives and equipment and facilities
13 located in class I railroad yards in California are inspected not less
14 frequently than every 180 days, and all main and branch line tracks
15 are inspected not less frequently than every 12 months. In
16 performing its duties, the *division of the commission responsible*
17 *for consumer protection and safety* ~~division~~ shall consult with
18 representatives of railroad corporations, labor organizations
19 representing railroad employees, and the Federal Railroad
20 Administration.

21 (c) The general counsel shall assign to the *division of the*
22 *commission responsible for* consumer protection and safety ~~division~~
23 the personnel and attorneys necessary to fully utilize the powers
24 granted to the commission by any state law, and by any federal
25 law relating to rail transportation, including, but not limited to, the
26 Federal Rail Safety Act (45 U.S.C. Sec. 421m, et seq.), to enforce
27 safety laws, rules, regulations, and orders, and to collect fines and
28 penalties resulting from the violation of any safety rule or
29 regulation.

30 (d) The activities of the *division of the commission responsible*
31 *for* consumer protection and safety ~~division~~ that relate to safe
32 operation of common carriers by rail, other than those relating to
33 grade crossing protection, shall also be supported by the fees paid
34 by railroad corporations, if any, pursuant to Sections 421 to 424,
35 inclusive. The activities of the *division of the commission*
36 *responsible for* consumer protection and safety ~~division~~ that relate
37 to grade crossing protection shall be supported by funds
38 appropriated therefor from the State Highway Account in the State
39 Transportation Fund. ~~On or before November 30 of each year, the~~
40 ~~commission shall report to the Legislature on the activities of the~~

1 ~~safety division, and shall fully document in the report all~~
2 ~~expenditures of those funds in the audit report provided in~~
3 ~~subdivision (f) of Section 421.~~

4 *SEC. 3. Section 321.6 of the Public Utilities Code is amended*
5 *to read:*

6 321.6. (a) ~~The commission shall do all of the following:~~
7 *president of the commission shall annually appear before the*
8 *appropriate policy committees of the Legislature to report on the*
9 *annual workplan of the commission required pursuant to Section*
10 *910.*

11 ~~(1) Develop, publish, and annually update an annual workplan~~
12 ~~that describes in clear detail the scheduled ratemaking proceedings~~
13 ~~and other decisions that may be considered by the commission~~
14 ~~during the calendar year. The plan shall include, but is not limited~~
15 ~~to, information on how members of the public and ratepayers can~~
16 ~~gain access to the commission's ratemaking process and~~
17 ~~information regarding the specific matters to be decided. The plan~~
18 ~~shall also include information on the operation of the office of the~~
19 ~~public adviser and identify the names and telephone numbers of~~
20 ~~those contact persons responsible for specific cases and matters~~
21 ~~to be decided. The plan shall also include a statement that specifies~~
22 ~~activities that the commission proposes to reduce the costs of, and~~
23 ~~rates for, energy, including electricity, and for improving the~~
24 ~~competitive opportunities for state agriculture and other rural~~
25 ~~energy consumers. The commission shall post the plan under the~~
26 ~~Official Documents area of its Internet Web site and shall develop~~
27 ~~a program to disseminate the information in the plan utilizing~~
28 ~~computer mailing lists to provide regular updates on the~~
29 ~~information to those members of the public and organizations~~
30 ~~which request that information.~~

31 ~~(2) Produce a complete accounting of its transactions and~~
32 ~~proceedings for the preceding year, together with other facts,~~
33 ~~suggestions, and recommendations that it deems of value to the~~
34 ~~people of the state and a statement that specifies the activities and~~
35 ~~achievements of the commission in reducing the costs of, and rates~~
36 ~~for, energy, including electricity, for state agriculture and other~~
37 ~~rural energy consumers.~~

38 ~~(3) Create a report on the number of cases where resolution~~
39 ~~exceeded the time periods prescribed in scoping memos and the~~
40 ~~days that commissioners presided in hearings.~~

1 ~~(4) Submit annually the plan, accounting, and report required~~
2 ~~by paragraphs (1), (2), and (3) to the Governor and Legislature no~~
3 ~~later than February 1 of each year.~~

4 ~~(b) The president of the commission shall annually appear before~~
5 ~~the appropriate policy committees of the Senate and Assembly to~~
6 ~~report on the annual workplan access guide of the commission~~
7 ~~required pursuant to this section.~~

8 ~~(e)~~

9 ~~(b) The president of the commission shall annually appear before~~
10 ~~the appropriate policy committees of the Senate and Assembly~~
11 ~~Legislature to report on the annual report of the commission on~~
12 ~~the number of cases where resolution exceeded the time periods~~
13 ~~prescribed in scoping memos and the days that commissioners~~
14 ~~presided in hearings, pursuant to Section 13 of Chapter 856 of the~~
15 ~~Statutes of 1996.~~

16 ~~SEC. 4. Section 322 of the Public Utilities Code is amended~~
17 ~~and renumbered to read:~~

18 ~~322.~~

19 ~~910.1. (a) The commission shall periodically, at least once~~
20 ~~each year, compile its rules of procedure together with every order~~
21 ~~and decision of the commission relating to the conduct of the~~
22 ~~commission's hearings and proceedings.~~

23 ~~(b) The compilation shall include, but not be limited to, matters~~
24 ~~relating to all of the following:~~

25 ~~(1) Pleadings.~~

26 ~~(2) Public notice.~~

27 ~~(3) Public attendance.~~

28 ~~(4) Specification of issues.~~

29 ~~(5) Prehearing procedures.~~

30 ~~(6) Discovery.~~

31 ~~(7) Evidence.~~

32 ~~(8) Supporting documentation.~~

33 ~~(9) Submission of briefs and arguments.~~

34 ~~(10) Meetings of the commission.~~

35 ~~(11) All other rules of procedure governing participation in~~
36 ~~hearings and proceedings of the commission by public utilities,~~
37 ~~commission staff, and other persons.~~

38 ~~SEC. 5. Section 421 of the Public Utilities Code is amended~~
39 ~~to read:~~

421. (a) The commission shall annually determine a fee to be paid by every passenger stage corporation, charter-party carrier of passengers, pipeline corporation, for-hire vessel operator, common carrier vessel operator, railroad corporation, and commercial air operator, and every other common carrier and related business subject to the jurisdiction of the commission, except as otherwise provided in Article 3 (commencing with Section 431) of this chapter and Chapter 6 (commencing with Section 5001) of Division 2.

(b) The annual fee shall be established to produce a total amount equal to the amount established in the authorized commission budget for the same year, including adjustments appropriated by the Legislature and an appropriate reserve, to regulate common carriers and related businesses, less the amount to be paid from special accounts or funds pursuant to Section 403, reimbursements, federal funds, other revenues, and unencumbered funds from the preceding year.

(c) Notwithstanding any other provision of law, the fees paid by railroad corporations shall be used for state-funded railroad investigation and enforcement activities of the commission, other than the rail safety activities funded by the Transportation Planning and Development Account pursuant to Section 99315. The railroad fees shall be set annually at a level which generates not less than the amount sufficient to fund activities pursuant to Sections 765.5, ~~7711~~, 916, and 7712.

(d) On January 1, 1992, the commission shall submit to the Legislature a detailed budget implementing this section for the 1992–93 fiscal year. The commission shall also submit to the Legislature by January 1, 1993, and on each January 1 thereafter, a detailed budget for expenditure of railroad corporation fees for the ensuing budget year. The budget for expenditure of railroad corporation fees, for each of the 1996–97 and 1997–98 fiscal years, shall not exceed the amount of three million dollars (\$3,000,000). Expenditures of this budget shall be limited to the following items:

(1) Expenditures for employees occupying, and actually performing service in, railroad-safety personnel positions that are directly involved in inspecting railroads and enforcing rail safety regulations. The commission shall expend the funds budgeted pursuant to this subdivision for the salaries, per diem, and travel expenses of employees specified in this paragraph, unless, by

1 statute, the commission is specifically prohibited from expending
2 all or part of those funds.

3 (2) Expenditures for employees occupying, and actually
4 performing service in, clerical and support staff positions that are
5 directly associated with railroad-safety inspections.

6 (3) Expenditures for legal personnel who actually pursue
7 violations of rail safety regulations beyond the informal complaint
8 level.

9 (4) Expenditures for an audit by the California State Auditor's
10 Office pursuant to subdivision (f), not to exceed seventy-five
11 thousand dollars (\$75,000).

12 (5) Expenditures for the pro rata share of the commission's
13 overhead costs while state personnel are actually occupying the
14 positions, and are performing the duties specified in paragraphs
15 (1) to (4), inclusive.

16 (e) The Department of Finance shall notify the Joint Legislative
17 Budget Committee, pursuant to Section 28.00 of the annual Budget
18 Act, prior to authorizing any change in the Budget Act
19 appropriation for railroad corporation fees that is larger than one
20 hundred thousand dollars (\$100,000), or 10 percent of the amount
21 budgeted, whichever is less.

22 (f) Except as otherwise provided in this subdivision,
23 commencing with the 1993–94 fiscal year, and in each subsequent
24 fiscal year until the 1999–2000 fiscal year, the commission shall
25 conduct an audit of the expenditure of the funds received pursuant
26 to this section, except that for the 1996–97 fiscal year and fiscal
27 years thereafter the audit shall be conducted by the California State
28 Auditor's Office. The results of this audit shall be reported, in
29 writing, commencing on or before February 15, 1995, with respect
30 to the audit for the 1993–94 fiscal year, and on or before January
31 15 of each year thereafter, with respect to the audit for the fiscal
32 year ending on the previous June 30, to the appropriate policy and
33 budget committees of the respective houses of the Legislature. The
34 commission shall reimburse the California State Auditor's Office
35 for the costs of the audits beginning with the 1996–97 fiscal year.

36 (g) On or before January 1, 1994, the commission shall hire a
37 minimum of four additional operating practices inspectors,
38 exclusive of supervisory personnel, who are, or shall become by
39 July 1, 1994, federally certified, for the purpose of enforcing

1 compliance by railroads operating in this state with state and federal
2 safety regulations.

3 (h) The commission, in performing its duties, shall limit the
4 expenditure of funds for rail safety ~~division~~ purposes to those
5 railroad corporation fees collected pursuant to subdivision (d). In
6 no event, shall the commission fund railroad safety activities
7 utilizing funds from other commission accounts unrelated to
8 railroad safety.

9 *SEC. 6. Section 747 of the Public Utilities Code is amended*
10 *to read:*

11 747. (a) ~~It is the intent of the Legislature that the commission~~
12 ~~reduce rates for electricity and natural gas to the lowest amount~~
13 ~~possible.~~

14 ~~(b) The commission shall prepare a written report on the costs~~
15 ~~of programs and activities conducted by each electrical corporation~~
16 ~~and gas corporation that is subject to this section, including~~
17 ~~activities conducted to comply with their duty to serve. The report~~
18 ~~shall be completed on an annual basis before April 1 of each year,~~
19 ~~and shall identify, clearly and concisely, all of the following:~~

20 ~~(1) Each program mandated by statute and its annual cost to~~
21 ~~ratepayers.~~

22 ~~(2) Each program mandated by the commission and its annual~~
23 ~~cost to ratepayers.~~

24 ~~(3) Energy purchase contract costs and bond-related costs~~
25 ~~incurred pursuant to Division 27 (commencing with Section 80000)~~
26 ~~of the Water Code.~~

27 ~~(4) All other aggregated categories of costs currently recovered~~
28 ~~in retail rates as determined by the commission.~~

29 ~~(e) As used in this section, the reporting requirements apply to~~
30 ~~electrical corporations with at least 1,000,000 retail customers in~~
31 ~~California and gas corporations with at least 500,000 retail~~
32 ~~customers in California.~~

33 ~~(d) The report required by subdivision (b) shall be submitted to~~
34 ~~the Governor and the Legislature no later than April 1 of each year.~~

35 ~~(e) The commission shall post the report required by subdivision~~
36 ~~(b) in a conspicuous area of its Internet Web site.~~

37 *SEC. 7. Section 747.6 of the Public Utilities Code is amended*
38 *and renumbered to read:*

~~747.6.~~

913.1. The commission shall report annually on its efforts to identify ratepayer-funded energy efficiency programs that are similar to programs administered by the Energy Commission, the State Air Resources Board, and the California Alternative Energy and Advanced Transportation Financing Authority in its annual report prepared pursuant to ~~subdivision (b) of Section 747~~ Section 913 and to require revisions to ratepayer-funded programs as necessary to ensure that the ratepayer-funded programs complement and do not duplicate programs of other state agencies.

SEC. 8. *Section 748 of the Public Utilities Code is amended and renumbered to read:*

~~748.~~

913.2. (a) The commission, by May 1, 2010, and by each May 1 thereafter, shall prepare and submit a written report, separate from and in addition to the report required by ~~Section 747~~, 913, to the Governor and Legislature that contains the commission's recommendations for actions that can be undertaken during the succeeding 12 months to limit utility cost and rate increases, consistent with the state's energy and environmental goals, including goals for reducing emissions of greenhouse gases.

(b) In preparing the report required by subdivision (a), the commission shall require electrical corporations with 1,000,000 or more retail customers in California, and gas corporations with 500,000 or more retail customers in California, to study and report on measures the corporation recommends be undertaken to limit costs and rate increases.

(c) The commission shall post the report required by subdivision (a) in a conspicuous area of its Internet Web site.

SEC. 9. *Section 765 of the Public Utilities Code is amended to read:*

765. (a) When the federal National Transportation Safety Board (NTSB) submits a safety recommendation letter concerning rail safety to the commission, the commission shall provide the NTSB with a formal written response to each recommendation no later than 90 days after receiving the letter. The response shall state one of the following:

(1) The commission's intent to implement the recommendations in full, with a proposed timetable for implementation of the recommendations.

1 (2) The commission's intent to implement part of the
2 recommendations, with a proposed timetable for implementation
3 of those recommendations, and detailed reasons for the
4 commission's refusal to implement those recommendations that
5 the commission does not intend to implement.

6 (3) The commission's refusal to implement the
7 recommendations, with detailed reasons for the commission's
8 refusal to implement the recommendations.

9 (b) If the NTSB issues a safety recommendation letter
10 concerning any commission-regulated rail facility to the United
11 States Department of Transportation, the Federal Transit
12 Administration, to a commission-regulated rail operator, or to the
13 commission, or if the Federal Transit Administration issues a safety
14 advisory concerning any commission-regulated rail facility, the
15 commission shall determine if implementation of the
16 recommendation or advisory is appropriate. The basis for the
17 commission's determination shall be detailed in writing and shall
18 be approved by a majority vote of the commission.

19 (c) If the commission determines that a safety recommendation
20 made by the NTSB is appropriate, or that action concerning a
21 safety advisory is necessary, the commission shall issue orders or
22 adopt rules to implement the safety recommendations or advisory
23 as soon as practicable. In implementing the safety recommendation
24 or advisory, the commission shall consider whether a more
25 effective, or equally effective and less costly, alternative exists to
26 address the safety issue that the recommendation or advisory
27 addresses.

28 (d) Any action taken by the commission on a safety
29 recommendation letter or safety advisory shall be reported
30 annually, in detail, to the Legislature with the report required by
31 ~~Section 321.6: 910~~. Any correspondence from the NTSB indicating
32 that a recommendation has been closed following an action that
33 the NTSB finds unacceptable shall be noted in the report required
34 by ~~Section 321.6: 910~~.

35 *SEC. 10. Section 910 of the Public Utilities Code is amended*
36 *and renumbered to read:*

37 ~~910.~~

38 *913.3.* (a) By May 1 of each year, the commission shall prepare
39 and submit to the policy and fiscal committees of the Legislature
40 a written report summarizing the following information:

1 (1) All electrical corporation revenue requirement increases
2 associated with meeting the renewables portfolio standard, as
3 defined in Section 399.12, including direct procurement costs for
4 eligible renewable energy resources and renewable energy credits,
5 administrative expenses for procurement, expenses incurred to
6 ensure a reliable supply of electricity, and expenses for upgrades
7 to the electrical transmission and distribution grid necessary to the
8 delivery of electricity from eligible renewable energy resources
9 to load.

10 (2) All cost savings experienced, or costs avoided, by electrical
11 corporations as a result of meeting the renewables portfolio
12 standard.

13 (3) All costs incurred by electrical corporations for incentives
14 for distributed and renewable generation, including the
15 self-generation incentive program, the California Solar Initiative,
16 and net energy metering.

17 (4) All cost savings experienced, or costs avoided, by electrical
18 corporations as a result of incentives for distributed and renewable
19 generation.

20 (5) All pending requests by an electrical corporation seeking
21 recovery in rates for renewable, fossil fuel, and nuclear
22 procurement costs, research, study, or pilot program costs.

23 (6) The decision number for each decision of the commission
24 authorizing recovery in rates of costs incurred by an electrical
25 corporation since the preceding report.

26 (7) Any change in the electrical load serviced by an electrical
27 corporation since the preceding report.

28 (8) The efforts each electrical corporation is taking to recruit
29 and train employees to ensure an adequately trained and available
30 workforce, including the number of new employees hired by the
31 electrical corporation for purposes of implementing the
32 requirements of Article 16 (commencing with Section 399.11) of
33 Chapter 2.3, the goals adopted by the electrical corporation for
34 increasing women, minority, and disabled veterans trained or hired
35 for purposes of implementing the requirements of Article 16
36 (commencing with Section 399.11) of Chapter 2.3, and, to the
37 extent information is available, the number of new employees
38 hired and the number of women, minority, and disabled veterans
39 trained or hired by persons or corporations owning or operating
40 eligible renewable energy resources under contract with an

1 electrical corporation. This paragraph does not provide the
2 commission with authority to engage in, regulate, or expand its
3 authority to include, workforce recruitment or training.

4 (b) The commission may combine the information required by
5 this section with the reports prepared pursuant to Article 16
6 (commencing with Section 399.11) of Chapter 2.3.

7 *SEC. 11. Section 910 is added to the Public Utilities Code, to*
8 *read:*

9 *910. The commission shall do all of the following:*

10 *(a) Develop, publish, and annually update an annual workplan*
11 *that describes in clear detail the scheduled ratemaking proceedings*
12 *and other decisions that may be considered by the commission*
13 *during the calendar year. The plan shall include, but is not limited*
14 *to, information on how members of the public and ratepayers can*
15 *gain access to the commission's ratemaking process and*
16 *information regarding the specific matters to be decided. The plan*
17 *shall also include information on the operation of the office of the*
18 *public advisor and identify the names and telephone numbers of*
19 *those contact persons responsible for specific cases and matters*
20 *to be decided. The plan shall also include a statement that specifies*
21 *activities that the commission proposes to reduce the costs of, and*
22 *rates for, energy, including electricity, and for improving the*
23 *competitive opportunities for state agriculture and other rural*
24 *energy consumers. The commission shall post the plan under the*
25 *Official Documents area of its Internet Web site and shall develop*
26 *a program to disseminate the information in the plan utilizing*
27 *computer mailing lists to provide regular updates on the*
28 *information to those members of the public and organizations that*
29 *request the information.*

30 *(b) Produce a complete accounting of its transactions and*
31 *proceedings for the preceding year, together with other facts,*
32 *suggestions, and recommendations that it deems of value to the*
33 *people of the state, and a statement that specifies the activities and*
34 *achievements of the commission in reducing the costs of, and rates*
35 *for, energy, including electricity, for state agriculture and other*
36 *rural energy consumers.*

37 *(c) Create a report on the number of cases where resolution*
38 *exceeded the time periods prescribed in scoping memos and the*
39 *days that commissioners presided in hearings.*

1 (d) *Submit annually the plan, accounting, and report required*
2 *by subdivisions (a), (b), and (c) to the Governor and Legislature*
3 *no later than February 1 of each year. A report to be submitted*
4 *pursuant to this subdivision shall be submitted in compliance with*
5 *Section 9795 of the Government Code.*

6 SEC. 12. *Section 911 of the Public Utilities Code is amended*
7 *and renumbered to read:*

8 ~~911.~~

9 913.4. (a) Notwithstanding subdivision (g) of Section 454.5
10 and Section 583, no later than May 1 of each year, the commission
11 shall release to the Legislature the costs of all electricity
12 procurement contracts for eligible renewable energy resources,
13 including unbundled renewable energy credits, and all costs for
14 utility-owned generation approved by the commission. The first
15 report shall include all costs commencing January 1, 2003.
16 Subsequent reports shall include only costs for the preceding
17 calendar year.

18 (1) For power purchase contracts, the commission shall release
19 costs in an aggregated form categorized according to the year the
20 procurement transaction was approved by the commission, the
21 eligible renewable energy resource type, including bundled
22 renewable energy credits, the average executed contract price, and
23 average actual recorded costs for each kilowatthour of production.
24 Within each renewable energy resource type, the commission shall
25 provide aggregated costs for different project size thresholds.

26 (2) For each utility-owned renewable generation project, the
27 commission shall release the costs forecast by the electrical
28 corporation at the time of initial approval and the actual recorded
29 costs for each kilowatthour of production during the preceding
30 calendar year.

31 (b) This section does not require the release of the terms of any
32 individual electricity procurement contracts for eligible renewable
33 energy resources, including unbundled renewable energy credits,
34 approved by the commission. The commission shall aggregate
35 data to the extent required to ensure protection of the confidentiality
36 of individual contract costs even if this aggregation requires
37 grouping contracts of different energy resource type. The
38 commission shall not be required to release the data in any year
39 when there are fewer than three contracts approved.

1 (c) The commission may combine the information required by
2 this section with the report prepared pursuant to Section 910, as
3 added by Chapter 1 of the First Extraordinary Session of the
4 Statutes of 2011. 913.3.

5 SEC. 13. Section 911 is added to the Public Utilities Code, to
6 read:

7 911. On or before November 30 of each year, the commission
8 shall report to the Legislature on the activities of the division of
9 the commission responsible for consumer protection and safety,
10 and shall fully document in the report all expenditures of those
11 funds in the audit report provided in subdivision (f) of Section 421.
12 A report to be submitted pursuant to this section shall be submitted
13 in compliance with Section 9795 of the Government Code.

14 SEC. 14. Section 913 is added to the Public Utilities Code, to
15 read:

16 913. (a) The reporting requirements of this section apply to
17 electrical corporations with at least 1,000,000 retail customers in
18 California and gas corporations with at least 500,000 retail
19 customers in California.

20 (b) The commission shall prepare a written report on the costs
21 of programs and activities conducted by each electrical corporation
22 and gas corporation that is subject to this section, including
23 activities conducted to comply with their duty to serve. The report
24 shall be completed on an annual basis before April 1 of each year,
25 and shall identify, clearly and concisely, all of the following:

26 (1) Each program mandated by statute and its annual cost to
27 ratepayers.

28 (2) Each program mandated by the commission and its annual
29 cost to ratepayers.

30 (3) Energy purchase contract costs and bond-related costs
31 incurred pursuant to Division 27 (commencing with Section 80000)
32 of the Water Code.

33 (4) All other aggregated categories of costs currently recovered
34 in retail rates as determined by the commission.

35 (c) The report required by subdivision (b) shall be submitted to
36 the Governor and the Legislature no later than April 1 of each
37 year.

38 (d) The commission shall post the report required by subdivision
39 (b) in a conspicuous area of its Internet Web site.

1 *SEC. 15. Section 914 is added to the Public Utilities Code, to*
2 *read:*

3 *914. The commission shall report to the Legislature and the*
4 *Governor annually on the effectiveness of the program*
5 *administered pursuant to subdivision (c) of Section 280.5.*

6 *SEC. 16. Section 915 of the Public Utilities Code is amended*
7 *and renumbered to read:*

8 *915:*

9 *911.1. (a) Beginning February 1, 2016, the commission shall*
10 *annually publish a report that includes all investigations into gas*
11 *or electric service safety incidents reported, pursuant to commission*
12 *requirements, by any gas corporation or electrical corporation. The*
13 *report shall succinctly describe each safety investigation concluded*
14 *during the prior calendar year and each investigation that remains*
15 *open. The categories within the description shall include the month*
16 *of the safety incident, the reason for the investigation, the facility*
17 *type involved, and the owner of the facility.*

18 *(b) The commission shall include in its work plan required*
19 *pursuant to Section ~~321-6~~, 910, a summary of the staff safety*
20 *investigations concluded during the prior calendar year and the*
21 *staff safety investigations that remain open for any gas corporation*
22 *or electrical corporation, with a link to the Internet Web site with*
23 *the report that contains the information required pursuant to*
24 *subdivision (a).*

25 *SEC. 17. Section 958.5 of the Public Utilities Code is amended*
26 *to read:*

27 *958.5. (a) Twice a year, or as determined by the commission,*
28 *each gas corporation shall file with the ~~commission's division of~~*
29 *the commission responsible for consumer protection and safety*
30 *~~division~~ a gas transmission and storage safety report. The ~~division~~*
31 *of the commission responsible for consumer protection and safety*
32 *~~division~~ shall review the reports to monitor each gas corporation's*
33 *storage and pipeline-related activities to assess whether the projects*
34 *that have been identified as high risk are being carried out, and to*
35 *track whether the gas corporation is spending its allocated funds*
36 *on these storage and pipeline-related safety, reliability, and integrity*
37 *activities for which they have received approval from the*
38 *commission.*

39 *(b) The gas transmission and storage safety report shall include*
40 *a thorough description and explanation of the strategic planning*

1 and decisionmaking approach used to determine and rank the gas
2 storage projects, intrastate transmission line safety, integrity, and
3 reliability, operation and maintenance activities, and inspections
4 of its intrastate transmission lines. If there has been no change in
5 the gas corporation's approach for determining and ranking which
6 projects and activities are prioritized since the previous gas
7 transmission and storage safety report, the subsequent report may
8 reference the immediately preceding report.

9 (c) If the ~~commission's~~ *division of the commission responsible*
10 *for consumer protection and safety* ~~division~~ determines that there
11 is a deficiency in a gas corporation's prioritization or administration
12 of the storage or pipeline capital projects or operation and
13 maintenance activities, the division shall bring the problems to the
14 commission's immediate attention.

15 *SEC. 18. Section 960 of the Public Utilities Code is amended*
16 *to read:*

17 960. (a) When the federal National Transportation Safety
18 Board (NTSB) submits a safety recommendation letter concerning
19 gas pipeline safety to the commission, the commission shall provide
20 the NTSB with a formal written response to each recommendation
21 not later than 90 days after receiving the letter. The response shall
22 state one of the following:

23 (1) The commission's intent to implement the recommendations
24 in full, with a proposed timetable for implementation of the
25 recommendations.

26 (2) The commission's intent to implement part of the
27 recommendations, with a proposed timetable for implementation
28 of those recommendations, and detailed reasons for the
29 commission's refusal to implement those recommendations that
30 the commission does not intend to implement.

31 (3) The commission's refusal to implement the
32 recommendations, with detailed reasons for the commission's
33 refusal to implement the recommendations.

34 (b) If the NTSB issues a safety recommendation letter
35 concerning any commission-regulated gas pipeline facility to the
36 United States Department of Transportation, the federal Pipeline
37 and Hazardous Materials Safety Administration (PHMSA), a gas
38 corporation, or to the commission, or the PHMSA issues an
39 advisory bulletin concerning any commission-regulated gas
40 pipeline facility, the commission shall determine if implementation

1 of the recommendation or advisory is appropriate. The basis for
2 the commission's determination shall be detailed in writing and
3 shall be approved by a majority vote of the commission.

4 (c) If the commission determines that a safety recommendation
5 made by the NTSB is appropriate or that action concerning an
6 advisory bulletin is necessary, the commission shall issue orders
7 or adopt rules to implement the safety recommendations or
8 advisory as soon as practicable. In implementing the safety
9 recommendation or advisory, the commission shall consider
10 whether a more effective, or equally effective and less costly,
11 alternative exists to address the safety issue that the
12 recommendation or advisory addresses.

13 (d) Any action taken by the commission on a safety
14 recommendation letter or advisory bulletin shall be reported
15 annually, in detail, to the Legislature with the report required by
16 Section ~~321.6~~: 910. Any correspondence from the NTSB that
17 indicates that a recommendation of the NTSB has been closed
18 following an action that the NTSB finds unacceptable shall be
19 noted in the report required by Section 321.6.

20 *SEC. 19. Section 5006 of the Public Utilities Code is amended*
21 *and renumbered to read:*

22 ~~5006.~~

23 918. The commission shall, within 30 days prior to
24 commencement of the regular session of the Legislature, submit
25 to the Governor a full and true report of transactions under ~~this~~
26 ~~chapter~~ Chapter 6 (commencing with Section 5001) of Division 2
27 during the preceding biennium, including a complete statement of
28 receipts and expenditures during the period.

29 *SEC. 20. Section 5012 of the Public Utilities Code is amended*
30 *and renumbered to read:*

31 ~~5012.~~

32 912. The Public Utilities Commission shall conduct an audit
33 of the expenditures of the funds received pursuant to ~~this chapter~~
34 Chapter 6 (commencing with Section 5001) of Division 2 each
35 fiscal year. The results of this audit shall be reported in writing,
36 on or before February 15th of each year thereafter, with respect to
37 the audit for the fiscal year ending on the previous June 30th, to
38 the appropriate policy and budget committees of the respective
39 houses of the Legislature.

1 ~~SECTION 1.~~

2 ~~SEC. 21.~~ Section 5385.5 of the Public Utilities Code is repealed.

3 ~~SEC. 2.~~

4 ~~SEC. 22.~~ Section 5387 of the Public Utilities Code is amended
5 to read:

6 5387. (a) It is unlawful for the owner of a charter-party carrier
7 of passengers to permit the operation of a vehicle upon a public
8 highway for compensation without (1) having obtained from the
9 commission a certificate or permit pursuant to this chapter, (2)
10 having complied with the vehicle identification requirements of
11 Section 5385, and (3) having complied with the accident liability
12 protection requirements of Section 5391.

13 (b) A person who drives a bus for a charter-party carrier without
14 having a current and valid driver's license of the proper class, a
15 passenger vehicle endorsement, or the required certificate shall be
16 suspended from driving a bus of any kind, including, but not
17 limited to, a bus, schoolbus, school pupil activity bus, or transit
18 bus, with passengers for a period of five years pursuant to Section
19 13369 of the Vehicle Code.

20 (c) (1) A charter-party carrier shall have its authority to operate
21 as a charter-party carrier permanently revoked by the commission
22 or be permanently barred from receiving a permit or certificate
23 from the commission if it commits any of the following acts:

24 (A) Operates a bus without having been issued a permit or
25 certificate from the commission.

26 (B) Operates a bus with a permit that was suspended by the
27 commission pursuant to Section 5378.5.

28 (C) Commits three or more liability insurance violations within
29 a two-year period for which it has been cited.

30 (D) Operates a bus with a permit that was suspended by the
31 commission during a period that the charter-party carrier's liability
32 insurance lapsed for which it has been cited.

33 (E) Knowingly employs a busdriver who does not have a current
34 and valid driver's license of the proper class, a passenger vehicle
35 endorsement, or the required certificate to drive a bus.

36 (F) Has one or more buses improperly registered with the
37 Department of Motor Vehicles.

38 (2) The commission shall not issue a new permit or certificate
39 to operate as a charter-party carrier if any officer, director, or owner
40 of that charter-party carrier was an officer, director, or owner of

1 a charter-party carrier that had its authority to operate as a
2 charter-party carrier permanently revoked by the commission or
3 that was permanently barred from receiving a permit or certificate
4 from the commission pursuant to this subdivision.

5 (d) An officer of the Department of the California Highway
6 Patrol may impound a bus of a charter-party carrier for 30 days
7 pursuant to Section 14602.9 of the Vehicle Code if the officer
8 determines that any of the following violations occurred while the
9 busdriver was operating the bus of a charter-party carrier:

10 (1) The driver was operating the bus of a charter-party carrier
11 when the charter-party carrier did not have a permit or certificate
12 issued by the commission.

13 (2) The driver was operating the bus of a charter-party carrier
14 when the charter-party carrier was operating the bus with a
15 suspended permit or certificate from the commission.

16 (3) The driver was operating the bus of a charter-party carrier
17 without having a current and valid driver's license of the proper
18 class, a passenger vehicle endorsement, or the required certificate.

19 *SEC. 23. Section 7661 of the Public Utilities Code is amended*
20 *to read:*

21 7661. (a) The commission shall require every railroad
22 corporation operating in this state to develop, within 90 days of
23 the effective date of the act adding this section, in consultation
24 with, and with the approval of, the Office of Emergency Services,
25 a protocol for rapid communications with the Office of Emergency
26 Services, the Department of the California Highway Patrol, and
27 designated county public safety agencies in an endangered area if
28 there is a runaway train or any other uncontrolled train movement
29 that threatens public health and safety.

30 (b) A railroad corporation shall promptly notify the Office of
31 Emergency Services, the Department of the California Highway
32 Patrol, and designated county public safety agencies, through a
33 communication to the Warning Center of the Office of Emergency
34 Services, if there is a runaway train or any other uncontrolled train
35 movement that threatens public health and safety, in accordance
36 with the railroad corporation's communications protocol developed
37 pursuant to subdivision (a).

38 (c) The notification required pursuant to subdivision (b) shall
39 include the following information, whether or not an accident or
40 spill occurs:

1 (1) The information required by subdivision (c) of Section 7673.

2 (2) In the event of a runaway train, a train list.

3 (3) In the event of an uncontrolled train movement or
4 uncontrolled movement of railcars, a track list or other inventory
5 document if available.

6 (d) The *division of the commission responsible for consumer*
7 *protection and safety*~~division~~ shall investigate any incident that
8 results in a notification required pursuant to subdivision (b), and
9 shall report its findings concerning the cause or causes to the
10 commission. The commission shall include the division's report
11 in its report to the Legislature pursuant to Section ~~7711~~. 916.

12 *SEC. 24. Section 7711 of the Public Utilities Code is amended*
13 *and renumbered to read:*

14 ~~7711~~.

15 916. The commission shall annually report to the Legislature,
16 on or before July 1, on sites on railroad lines in the state it finds
17 to be hazardous. The report shall include, but not be limited to,
18 information on all of the following:

19 (a) A list of all railroad derailment accident sites in the state on
20 which accidents have occurred within at least the previous five
21 years. The list shall describe the nature and probable causes of the
22 accidents, if known, and shall indicate whether the accidents
23 occurred at or near sites that the commission has determined,
24 pursuant to subdivision (b), pose a local safety hazard.

25 (b) A list of all railroad sites in the state that the commission
26 determines, pursuant to Section 20106 of Title 49 of the United
27 States Code, pose a local safety hazard. The commission may
28 submit in the annual report the list of railroad sites submitted in
29 the immediate prior year annual report, and may amend or revise
30 that list from the immediate prior year as necessary. Factors that
31 the commission shall consider in determining a local safety hazard
32 may include, but need not be limited to, all of the following:

33 (1) The severity of grade and curve of track.

34 (2) The value of special skills of train operators in negotiating
35 the particular segment of railroad line.

36 (3) The value of special railroad equipment in negotiating the
37 particular segment of railroad line.

38 (4) The types of commodities transported on or near the
39 particular segment of railroad line.

1 (5) The hazard posed by the release of the commodity into the
2 environment.

3 (6) The value of special railroad equipment in the process of
4 safely loading, transporting, storing, or unloading potentially
5 hazardous commodities.

6 (7) The proximity of railroad activity to human activity or
7 sensitive environmental areas.

8 (8) A list of the root causes and significant contributing factors
9 of all train accidents or derailments investigated.

10 (c) In determining which railroad sites pose a local safety hazard
11 pursuant to subdivision (b), the commission shall consider the
12 history of accidents at or near the sites. The commission shall not
13 limit its determination to sites at which accidents have already
14 occurred, but shall identify potentially hazardous sites based on
15 the criteria enumerated in subdivision (b) and all other criteria that
16 the commission determines influence railroad safety. The
17 commission shall also consider whether any local safety hazards
18 at railroad sites have been eliminated or sufficiently remediated
19 to warrant removal of the site from the list required under
20 subdivision (b).

21 *SEC. 25. Section 7712 of the Public Utilities Code is amended*
22 *to read:*

23 7712. On or before January 1, 1993, the commission shall adopt
24 regulations, based on its findings and not inconsistent with federal
25 law. The commission may amend or revise the regulations as
26 necessary thereafter, to reduce the potential railroad hazards
27 identified in Section ~~7711~~. 916. In adopting the regulations, the
28 commission shall consider at least all of the following:

29 (a) Establishing special railroad equipment standards for trains
30 operated on railroad sites identified as posing a local safety hazard
31 pursuant to subdivision (b) of Section ~~7711~~. 916. These standards
32 may include, but need not be limited to, standards for all of the
33 following:

34 (1) Sizes, numbers, and configurations of locomotives.

35 (2) Brakes.

36 (b) Establishing special train operating standards for trains
37 operated over railroad sites identified as posing a local safety
38 hazard pursuant to subdivision (b) of Section ~~7711~~. 916. These
39 standards may include, but need not be limited to, standards for
40 all of the following:

- 1 (1) Length, weight, and weight distribution of trains.
- 2 (2) Speeds and accelerations of trains.
- 3 (3) Hours of allowable travel.
- 4 (c) Establishing special training, personnel, and performance
- 5 standards for operators of trains that travel on railroad sites
- 6 identified as posing a local safety hazard pursuant to subdivision
- 7 (b) of Section ~~7711~~. 916.
- 8 (d) Establishing special inspection and reporting standards for
- 9 trains operated on railroad sites identified as posing a local safety
- 10 hazard pursuant to subdivision (b) of Section ~~7711~~. 916.

O